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FEB 19 1982

Dear Applicant:

Your application for exemption from Federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code has been considered.

Information submitted by you indicates that your organization was created as a nonprofit corporation under the statutes of the State of [REDACTED] on [REDACTED]. The purpose of your organization, as stated in your Articles of Incorporation, is "exclusively for educational purposes for peace and freedom including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code."

Your application and supplemental information submitted by you shows that one of your primary activities will be the printing of material, and dissemination thereof to the public, regarding the Federal budget; military and foreign policy; converting focus on peace rather than the military; human rights; nuclear activities, etc. Your organization will hold public meetings and forums on some of the above subjects and will hold a film festival focusing on these subjects.

You indicate that, as an educational, informational and advocacy organization you will identify issues related to your purposes, but that your organizational expenditures for attempting to bring public influence to bear on legislative matters will be "insubstantial or de minimus."

Section 501(c)(3) of the code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable or educational purposes.

Section 1.501(c)(3)- (a) of the Income Tax Regulations states that an organization must be both organized and operated exclusively for one or more of the purposes specified in Section 501(c)(3) of the Internal Revenue Code. If an organization fails to meet either the organizational test or the operational test, it is not exempt.

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Section 1.501(c)(3)-1(c) of the Income Tax Regulations states that an organization will be regarded as operated exclusively for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of the exempt purposes specified in Section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose specified in Section 501(c)(3).

Section 1.501(c)(3)-1(d)(3) of the Income Tax Regulations states that the term "educational", as used in Section 501(c)(3), relates to (a) the instruction or training of the individual for the purpose of improving or developing his capabilities, or (b) the instruction of the public on subjects useful to the individual and beneficial to the community. An organization may be educational even though it advocates a particular position or viewpoint, so long as it presents a sufficiently full and fair exposition of the pertinent facts as to permit an individual or the public to form an independent opinion or conclusion.

The submission of flyers and literature by you shows that the type of material you will, or are, printing and distributing presents, for the most part, a limited and prejudicial view of the topics covered. The material submitted by you does not present a sufficiently full and fair exposition of the facts so as to permit an individual or the public to form an independent opinion or conclusion. Rather, the material strongly presents the viewpoint of the organization disseminating it, and does not present the reader with a factual basis from which to draw independent conclusions, and, therefore, does not constitute instruction of the public within the meaning of Section 1.501(c)(3)-1(d)(3) of the Income Tax Regulations.

Therefore, since the particular activities cited above will constitute more than an insubstantial part of your activities, it is the opinion of this office that your organization is not exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

You are required to file an income tax return each year on Form 1120.

If you do not agree with these conclusions, you may request Appeals Office consideration. To do this, you must submit to the District Director within 30 days from the date of this letter, a statement of facts, law, and arguments, in duplicate, which will clearly set forth your position. You also must state whether you wish an Appeals Office conference. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met.

If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides in part that, "A declaratory judgment or decree under this section shall not

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be issued in any proceeding unless the Tax Court, the Court of Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

On final determination, copies of this letter will be forwarded to appropriate State officials in accordance with Section 6104(c) of the Internal Revenue Code.

If we do not hear from you within the time specified, this communication will become our determination in the matter.

Very truly yours,

[REDACTED]
District Director

Enclosure:
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